



# COMMONWEALTH of VIRGINIA

## DEPARTMENT OF MENTAL HEALTH, MENTAL RETARDATION AND SUBSTANCE ABUSE SERVICES

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### MEMORANDUM

**ACTION:** Community Services Board, Local Government Department, and Behavioral Health Authority Executive Directors

**INFO:** State Hospital and Training Center Directors  
State Mental Health, Mental Retardation and Substance Abuse Services Board  
Mental Health, Mental Retardation, and Substance Abuse Services Advocates

**FROM:** Paul R. Gilding  
Community Contracting Director

**SUBJECT:** FY 2009 Community Services Performance Contract; Central Office, State Facility, and Community Services Board Partnership Agreement; and Community Services Performance Contract General Requirements Document

**DATE:** May 6, 2008

Attached for your use or information are the FY 2009 contract documents: the Community Services Performance Contract, Partnership Agreement, and General Requirements Document. They are available on the Department's web site at [www.dmhmrzas.virginia.gov](http://www.dmhmrzas.virginia.gov). The Department will distribute Letters of Notification and the CARS-ACCESS contract software electronically this week. Letters of Notification contain initial allocations of state and federal funds to community services boards (CSBs), behavioral health authorities, and local government departments with policy-advisory CSBs, all of which are referred to as Boards or CSBs in the contract documents and this memorandum. The Department will communicate allocations of the new state funds appropriated by the 2008 General Assembly associated with the mental health law reform legislation separately in June.

The attached contract documents reflect comments received during the 60-day public comment period required by § 37.2-508 of the *Code of Virginia*, the work of the Performance Contract Committee established by the Department and the Virginia Association of Community Services Boards, and comments from Department staff. The Office of the Attorney General has reviewed these contract documents. Given the complete rewriting of the performance contract for FY 2004 and positive reaction to the FY 2005, FY 2006, FY 2007, and FY 2008 versions of the contract, the Department and the Performance Contract Committee decided to focus major revisions or changes in the FY 2009 contract in only a few areas. Thus, many parts of the contract documents remain substantially unchanged.

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### **General Changes in FY 2009 Contract Documents**

The FY 2009 contract documents reflect minor changes in many places, such as improved grammar or syntax, increased clarity, and updated references. Throughout the documents, “mental retardation” is replaced with “intellectual disabilities” when referring to the condition individuals have; mental retardation is retained when referring to the services that address those disabilities. This change mirrors the changes several years ago with substance abuse and substance use disorder.

### **Performance Contract Changes**

1. Revised section 4.c.2.) on page 3 to include inpatient psychiatric hospitals and units in the Linkages with Health Care section.
2. Revised section 4.c 3.) on page 4 to apply this coordination section to involuntary, rather than voluntary, admissions.
3. Revised section 6.b.2.) at the top of page 6 to add private providers participating as signatories in regional partnerships to parties implementing regional utilization management procedures and practices.
4. Added section 6.b.3.) on page 6 to reference Exhibit B: Continuous Quality Improvement Process.
5. Added section 6.b.4.) f.) on page 6 about the Board’s recovery orientation.
6. Added section 6.b.6.) on page 7 about Board response to complaints.
7. Added section 6.c.4.) on page 8 about streamlining reporting requirements.
8. Added section 7.b.5.) on page 10 about the recovery orientation of state hospitals.
9. Added language in section 7.c.1.) on page 11 about the Continuous Quality Improvement Process.
10. Added language in section 7.c.3.) on page 11 to include private providers participating as signatories in regional partnerships to parties implementing regional utilization management procedures and practices.
11. Added section 7.c.4.) on page 11 about Central Office’s recovery orientation.
12. Added language in section 7.d.4.) on page 12 about the Department complying with Procedures for Approving CSB Surveys, Questionnaires, and Data Collection Instruments and Establishing Reporting Requirements.
13. Added section 7.d.5.) on page 12 about streamlining reporting requirements.
14. Added section 9.d.2.) on page 14 about the Board terminating the performance contract.
15. Added language to the Areas for Future Resolution, section 10.b, on page 16 about developing the second phase of the Mental Health and Substance Abuse Services Performance Expectations and Goals.
16. Added language to section 10.c on page 17 about planning for the implementation of the Health Information Exchange and the Electronic Health Record.
17. Added new section 10.d on page 17 on developing Co-Occurring Disorder Treatment Performance Expectations and Goals.
18. Added new section 10.e on page 17 about developing Regional Management Structures or Processes for Consumers Moving Among Regions or Providers.

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19. Added new section 10.f on page 17 on revising the Discharge Planning Protocols and the Continuity of Care Procedures.
20. Revised Exhibit A (pages 29-32) Forms 11, 21, 31, and 01 to delete projecting service capacities, total units, contract units, and units per capacity in the performance contract.
21. Added new Appendix B: Continuous Quality Improvement Process on pages 33-41 to include the new Emergency Services, Mental Health and Substance Abuse Case Management Services, and Data Quality Performance Expectations and Goals.
22. Added language in Appendix C on page 42 about the Board developing a plan to assess and increase its recovery orientation over time.
23. Revised language in Exhibit E on pages 44-49 to link some semi-monthly payments to submission of monthly CCS 3 extract files and to require Boards to submit plans of correction for audit deficiencies (an Virginia Auditor of Public Accounts requirement).
24. Revised Exhibit H on page 55 to delete reporting Board member characteristics except for the numbers of consumers and family members.
25. Revised Exhibit J on pages 60-63 to separate Regional Program Operating Principles from Regional Programs Procedures (moved to Appendix D of the General Requirements Document) and to delete the regional program models.

## **Partnership Agreement Changes**

1. Added a reference to Critical Success Factors at the bottom of page 1.
2. Added references on page 3 in the first State Facilities item for state facility admission criteria.
3. Added language at the bottom of page 3 in the next to the last paragraph to include other providers involved in the services system through participation in regional partnerships.
4. Added a new section on page 6 to include the Critical Success Factors from the Integrated Strategic Plan.
5. Revised section 9 on page 9 to reflect the current composition of the System Leadership Council and the current role of the System Operations Team.

## **General Requirements Document Changes**

1. Added language on page 15 after section 1.c. regarding single audit requirements.
2. Revised language on page 15 in section III.B.2 to reflect current terminology about disaster response and emergency preparedness requirements.
3. Revised the Crosswalk Between Licensing Regulations and CARF Standards on pages 19-21 to reflect the 2008 CARF Standards.
4. Revised Appendix A: Continuity of Care Procedures on pages 22-23 and 30 to reflect revised state hospital admission criteria in Chapter 8 of Title 37.2 of the *Code of Virginia*.
5. Revised Appendix A on page 28 to reflect use of the Emergency Care Admission Intake Form for state training centers.
6. Revised Appendix A on pages 26 and 27 to reflect *Code* changes regarding assessments required for state hospital admissions.
7. Revised section 5 in Appendix C on page 40 about Services for persons at-risk of HIV/AIDS.

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8. Added Appendix D: Regional Program Procedures on pages 43-50 to reflect the work of the Regional Programs Work Group.

All of the contract's Exhibit A will be submitted electronically, using CARS-ACCESS software supplied by the Department. More detailed information about which parts of the contract must be submitted on paper is contained in Exhibit E of the contract, the Performance Contract Process. CARS-ACCESS also contains Table 2: FY 2009 Board Management Salary Costs, which enables CSBs and the Department to respond to requirements in § 37.2-504 of the *Code of Virginia*. This table also collects FTE information by program area. Last year, a column was added to Table 2 to report peer providers. Peer providers are staff who self-identify as consumers and have been hired specifically as peer providers. Staff who have not been hired as peer providers, even if they have a mental illness, mental retardation, or a substance use disorder, should not be reported as peer-providers.

The Department is distributing FY 2009 contract documents electronically, rather than as paper copies by mail. This enables the Department to distribute these contract documents more quickly and easily and allows recipients to distribute the documents to others more rapidly and efficiently. To be accepted for processing by the Department, a performance contract must satisfy the criteria in Exhibits E and I of the contract.

1. Exhibits A and H (first two pages) and Table 2 must be submitted to the Department's Office of Information Technology Services using CARS-ACCESS software and must be complete and accurate.
2. Since the contract is being distributed electronically to CSBs, the parts of the contract that are submitted on paper should be printed, signed where necessary, and mailed to the Office of Community Contracting at the same time that Exhibits A and H are submitted. These parts include: the signature page of the contract body (page 18), the Board's current organization chart (the third page of Exhibit H); Exhibit B, Exhibit D (if applicable), Exhibit F (two pages), the first page of Exhibit G, Exhibit K (if applicable), and the signature page of the Partnership Agreement (page 10). The second page of Exhibit G must be submitted as soon as possible and no later than September 30. The Department must receive all parts of the contract that are submitted on paper before a contract submission will be considered to be complete.
3. Exhibit A must conform to the allocations of state and federal funds in the Letter of Notification enclosures, unless amounts have been revised by or changes negotiated with the Department and confirmed by the Department in writing. Revenues must equal costs on all contract forms or differences must be explained on the Financial Comments form.
4. Contracts must contain actual appropriated amounts of local matching funds. If a CSB cannot include the minimum 10 percent local matching funds in its contract, it must submit a written request for a waiver of the matching funds requirement, pursuant to § 37.2-509 of the *Code of Virginia*, to the Office of Community Contracting with its contract. More information about the waiver request is contained in an attachment to this memorandum.

The FY 2009 contract and other materials described above are due in the Department's Office of Community Contracting by **June 20, 2008**, except for Exhibits A and H (the first two pages), which are submitted to the Department's Office of Information Technology Services by the same date. More detailed information about submitting Exhibits A and H (the first two pages) in CARS-ACCESS will be provided in the Performance Contract Workshops, conducted by Department staff during May.

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Section 37.2-508 or 37.2-608 of the *Code of Virginia* requires that the CSB or behavioral health authority make its proposed performance contract available for public review and solicit public comment for a period of 30 days before submitting it for the approval of the operating or administrative policy CSB or behavioral health authority board of directors or the comments of the local government department's policy advisory CSB. That same *Code* section authorizes the Department to provide up to six semi-monthly payments of state and federal funds to allow sufficient time to complete public review and comment, local government approval, and Department negotiation and approval of the contract.

The Performance Contract Process (Exhibit E in the contract) automatically provides the first two semi-monthly July payments to all CSBs, whether or not a contract has been submitted. The Process conditions the next four semi-monthly payments (two in August and two in September) on the Department's receipt of a complete performance contract. Once a performance contract is received in the Department, the CSB's Community Contracting Administrator will review it and notify the CSB within five working days that it is or is not accepted for review by the Department. Unacceptable contracts will need to be revised before the Department will process them. For CSBs, please call or e-mail your Community Contracting Administrator if you have any questions about this package. If other recipients of this memorandum have any questions about it or the attached documents, please e-mail me at [paul.gilding@co.dmhmrsas.virginia.gov](mailto:paul.gilding@co.dmhmrsas.virginia.gov) or call me at (804) 786-4982. Thank you.

Enclosures (4)

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## Minimum Ten Percent Local Matching Funds Waiver Request Attachment

A Board should maintain its local matching funds at least at the same level as that shown in its FY 2008 final performance contract revision. The 2008 Appropriation Act prohibits using state funds to supplant local governmental funding for existing services. Board includes operating and administrative policy community services boards (CSBs), local government departments with policy-advisory CSBs, and behavioral health authorities.

If a Board is not able to include at least the minimum 10 percent local matching funds, required by § 37.2-509 of the *Code of Virginia* and State Board Policy 4010, in its original performance contract, any subsequent contract revision, or its mid-year or end of the fiscal year performance contract reports, it must submit a written request for a waiver of that requirement, pursuant to § 37.2-509 of the *Code of Virginia* and State Board Policy 4010, to the Office of Community Contracting with the original or revised contract or performance contract reports.

In accordance with sections 7.e.3.), g, and i., if only a Board's participation in the Discharge Assistance Project (DAP), its receipt of reinvestment funds, or its participation in a regional program, as defined in Exhibit J of the contract, causes it to be out of compliance with the 10 percent local matching funds requirement in § 37.2-509 of the *Code of Virginia*, the Department will grant an automatic waiver of that requirement, related to the funds for the DAP, reinvestment program, or regional program. The Board must submit a written request for the waiver, identifying the specific amounts and types of those funds that cause it to be out of compliance with the local matching funds requirement, but without the documentation required below in items 3, 4, and 5, and the Department will approve an automatic waiver in a letter to the Board.

1. State Board Policy 4010 defines acceptable local matching funds as local government appropriations, philanthropic cash contributions from organizations and individuals, in-kind contributions of space, equipment, professional services (for which the Board would otherwise have to pay), and, in certain circumstances, interest revenue. All other revenues, including fees, federal grants, and other funds, as well as uncompensated volunteer services, are not acceptable as local matching funds.
2. Section 37.2-509 of the *Code of Virginia* states that allocations of state funds to any Board for operating expenses, including salaries and other costs, shall not exceed 90 percent of the total amount of state and local matching funds provided for these expenses. This section effectively defines the 10 percent minimum amount of local matching funds as 10 percent of the total amount of state and local matching funds.
3. The written waiver request must include an explanation of each local government's inability to provide sufficient local matching funds at this time. This written explanation could include, among other circumstances, the following factors:
  - a. an unusually high unemployment rate, compared with the statewide or regional average unemployment rate;
  - b. a decreasing tax base or declining tax revenues;
  - c. the existence of local government budget deficits; or
  - d. major unanticipated local government capital or operating expenditures (e.g., for flood damage).
4. Additionally, the waiver request must include information and documentation about the Board's efforts to obtain sufficient local matching funds. Examples of such efforts could include newspaper articles, letters from Board members to local governing bodies outlining statutory matching funds requirements, and Board resolutions.
5. Finally, the waiver request must include a copy of the Board's budget request that was submitted to each local government and a copy or description of the local government's response to the request.